



Session #18

1998 Cohort Default Rate: Draft Data Challenge

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Why schools should participate in the Challenge Process

- Should be part of Default Management Plan for your school
 - Has your draft rate been lower or higher than your final rate?
 - Will your FY 98 cohort rate be your third year of 25% or more?
 - Is your rate less than 10%

What <u>is</u> the Cohort Default Rate?

The cohort default rate is the percentage of a school's student loan borrowers who enter repayment during a particular fiscal year and default by the end of the following fiscal year.



1998 COHORT PERIOD

Entered Repayment Between 10/1/97 and 9/30/98 (FY 1998) then Defaulted by 9/30/99 (FY 1999)



Default Rate Calculation

NUMERATOR=

Borrower's who defaulted during FY'98 or FY'99

DENOMINATOR = All borrower's who entered repayment during FY'98 (10/1/97 - 9/30/98)



Get Organized

- Read "Draft Cohort Default Rate Guide"
- Study "Loan Record Detail Report"
- Identify & separate the defaulters
- Set up spread sheet using the sample in the guide



What Do We Look For?

- Is the LDA inside the cohort window?
 - Is the claim paid date inside the cohort window?
 - Is the DER inside the cohort window?



What Do We Look For? (cont'd.)

- Are SLS and Stafford loans linked?
 - Was the borrower given 180 days grace?
 - Was the student given 270 days delinquency? 360?



Resources

- Your School's Records
- NSLDS
- SSCR
- Direct Loan Servicing Center/Guarantor
- Student
- Other Schools
- Direct Loan/Servicer Delinquency Reports

Summary

- Format appeal letter as outlined in guide book for each agency
- Be sure to include all relevant documentation
- Be sure to send appeal to the proper Guaranty Agency.
- Include copy of Loan Record Detail for each allegation